

Message Text

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ORIGIN EA-14

INFO OCT-01 ISO-00 NSC-07 NSCE-00 CIAE-00 DODE-00 INR-10

NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SP-03 AID-20

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FM SECSTATE WASHDC

TO USLO PEKING

INFO AMCONSUL HONG KONG

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E.O. 11652: N/A

TAGS: EAGR, ETRD, CH, US

SUBJECT: NEWSWEEK ARTICLE ON WHEAT TCK AND US-PRC
RELATIONS

1. ARTICLE (TEXT BELOW) ON ABOVE SUBJECT CARRIED IN
APRIL 8 ISSUE OF NEWSWEEK, ENTITLED "THE FOREIGN DISEASE."
WE DO NOT KNOW WHAT BASIS NEWSWEEK HAD FOR REFERRING TO
"U.S. OFFICIALS" AND "SOURCES AT THE STATE DEPARTMENT."

2. BEGIN TEXT. IT WAS AN INTRIGUING SET OF CLUES. U.S.
SECRETARY OF AGRICULTURE EARL BUTZ WAS SKIPPING CHINA ON
HIS THREE-WEEK TOUR OF ASIA'S GRAIN BUYERS. AMERICAN
FARM EXPERTS WERE POUCHING THE CHINESE GOVERNMENT REAMS OF
DATA ON PLANT PATHOLOGY. AND A HIGH-POWERED COMMODITIES
DEALER WHO HAS SOLD CHINA MILLIONS OF BUSHEL OF U.S.
GRAIN OVER THE PAST TWO YEARS WAS HOLDING URGENT TALKS IN
PEKING. WHAT THE CLUES ADD UP TO MAY BE A DETOUR FOR
SINO-AMERICAN DETENTE. CHINA, NEWSWEEK'S HONG KONG BUREAU
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CHIEF LOREN JENKINS REPORTED LAST WEEK, HAS REJECTED

SEVERAL U.S. WHEAT SHIPMENTS, ON THE GROUND THAT THEY ARE TAINTED WITH FUNGUS. AND THERE IS REASON TO THINK THAT CHINA'S CONCERN OVER THE WHEAT DISEASE MAY HAVE SOMETHING TO DO WITH POLITICS AS WELL AS PLANT PARASITES.

3. NOT THAT ANYONE IS DENYING THE CHINESE CHARGE. IN WASHINGTON, AGRICULTURE DEPARTMENT OFFICIALS RELUCTANTLY ADMIT THAT THE FUNGUS TILLETIA CONTROVERSA KUHN-KNOWN AS "WHEAT SMUT" OR TCK FOR SHORT-IS A COMMON AFFLICTION IN AMERICAN WHEAT FROM WEST OF THE ROCKIES. IT IS POSSIBLE, THEY SAY, THAT THREE RECENT SHIPLOADS (ABOUT 60,000 TONS) DID INDEED CARRY TCK, A DISEASE THAT WILL TURN WHEAT DARK BROWN AND NOXIOUS SMELLING. EVEN SO, THE PEKING MOVE COMES AT A TIME WHEN U.S. OFFICIALS ARE ALREADY CONCERNED THAT CHINA MAY BE LOOSENING ITS RECENT TIES WITH THE WEST. IN A NEW IDEOLOGICAL DRIVE THAT HAS MANY OF THE HALLMARKS OF THE 1960'S CULTURAL REVOLUTION, THE OFFICIAL PEKING PRESS HAS BEEN ISSUING A STEADY STREAM OF INVECTIVE AGAINST "THINGS FOREIGN." IN ONE RECENT PROVINCIAL RADIO BROADCAST, CHINESE WERE REMINDED THAT IN THE PAST "IMPERIALISTS MURDERED ABOUT 2,000 INNOCENT CHINESE CHILDREN ... BY EXTRACTING THEIR BLOOD, GOUGING THEIR EYES, CUTTING OUT THEIR INTESTINES AND BOILING THEM IN OIL." AS MIGHT BE EXPECTED, SOME EXPERTS SUSPECT THAT CHINA'S DOMESTIC CAMPAIGN MAY NOW HAVE BEGUN TO SPILL OVER INTO THE REALM OF FOREIGN TRADE.

4. THERE ARE, OF COURSE, LEGITIMATE REASONS FOR CHINA TO OBJECT TO FAULTY WHEAT. FOR ONE THING, TCK IS NOT INDIGENOUS TO ASIA, AND IT MAY WELL BE THAT PEKING AGRICULTURAL EXPERTS ARE GENUINELY ANXIOUS TO AVOID THE SPREAD OF THE PESKY SPORE. BUT AS ONE AMERICAN EXPORTER REMARKED: "IN THE PAST, THE CHINESE HAVE ACCEPTED WHEAT WITH TCK AND HAVE ONLY ASKED THAT THE FOREIGN TRADER PAY FOR TREATMENT OF THE GRAIN."

5. TOMES: TO TRY TO EASE CHINA'S MIND, THE U.S. GOVERNMENT HAS SUPPLIED PEKING WITH SCIENTIFIC TOMES THAT ATTEST TO THE HARMLESSNESS OF TCK AND PROVE THAT IT DOES NOT RENDER WHEAT INEDIBLE. THE CHINESE ARE HAVING UNCLASSIFIED

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NO TRUCK WITH THESE WESTERN FINDINGS. IN A FINAL GESTURE OF ANNOYANCE, PEKING HAS NOT ONLY REFUSED ALL DELIVERY OF TAINTED WHEAT BUT HAS ALSO DEMANDED THAT WESTERN DEALERS PAY TO SHIP IT BACK HOME.

6. CHINA'S INTRANSIGENCE IS A PUZZLE IN WASHINGTON. PRIVATELY, SOURCES AT THE STATE DEPARTMENT VOICE FEARS THAT RADICAL CHINESE OFFICIALS WHO OPPOSE WESTERN TRADE

LINKS MAY SEIZE ON TCK TO CHARGE "AMERICAN IMPERIALISTS" WITH DUMPING INFERIOR GRAIN. SHOULD THAT HAPPEN, THE LUCRATIVE CHINESE GRAIN MARKET-WHICH LAST YEAR SNAPPED UP SOME \$290 MILLION IN AMERICAN WHEAT-COULD VANISH

OVERNIGHT. AND IN ADDITION, THE ENTIRE FABRIC OF BILATERAL ECONOMIC TIES THAT PREMIER CHOU EN-LAI HAS WOVEN WITH THE U.S. COULD EASILY BE FRAYED.

7. WHETHER THE TCK AFFAIR WILL DEVELOP INTO A FULL-SCALE TRADE IMBROGLIO REMAINS TO BE SEEN. BUT SOME U.S. EXPERTS ARE PREDICTING THAT THERE IS MORE AT STAKE THAN JUST COMMERCE. A STRUGGLE FOR SUCCESSION TO THE AGING CHAIRMAN MAO SEEMS TO BE RAGING IN CHINA, AND RADICAL FORCES ARE KNOWN TO BE GUNNING FOR PREMIER CHOU AND THE WHOLE RANGE OF MODERATE POLICIES HE REPRESENTS. IN THE VIEW OF SOME AMERICAN CHINA-WATCHERS, THE FUSS THAT PEKING HAS MADE OVER TCK MAY BE ONE SIGN THAT CHOU'S CRITICS ARE WINNING IN THEIR DRIVE TO PUT A DAMPER ON DETENTE. IN ADDITION, THE NIXON ADMINISTRATION IS KEENLY AWARE THAT CHINA'S QUASI-AMBASSADOR, HUANG CHEN, HAS RECENTLY BEEN ABSENT FROM WASHINGTON FOR FOUR MONTHS. IF THE RADICALS HAVE SUCCEEDED IN FORCING CHOU TO EASE OFF ON CONTACTS WITH THE U.S., THE CHINESE PREMIER WILL NOT BE THE ONLY LEADER TO LOSE FACE. FOR AS RICHARD NIXON NEVER TIRES OF REMINDING AMERICANS, THE WARMING OF RELATIONS WITH CHINA IS ONE OF HIS OWN MAJOR ACHIEVEMENTS. END TEXT. RUSH

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